



CCH Finance Committee Meeting February 2019

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CFO



COOK COUNTY
HEALTH

Agenda

1. FY 2018 Draft Unaudited Financials Statements
 - a. Financials
 - b. Preliminary Observations
2. Systemwide Financials & Stats
 - a. Financials
 - b. Observations
 - c. Financial / Revenue Cycle metrics
3. CCH Provider Service Financials
4. CountyCare Financials & Stats
5. Correctional Health services Financials & Stats
6. Department of Public Health Financials & Stats
7. Administration Financials



FY 2018 Draft Unaudited Financials



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Draft Unaudited Income Statement for the Fiscal Year 2018 (Thousands)

	2017	2018	\$ Variance	% Variance
<u>Operating Revenues</u>				
Net Patient Service Revenue	593,240	590,021	(3,219)	-0.5%
County Care Capitation	836,538	1,930,510	1,093,972	130.8%
Provident Hospital Access Payments	112,840	106,551	(6,289)	-5.6%
Grant Revenue	11,803	10,000	(1,803)	-15.3%
Electronic Health Record Incentive	3,494	1,559	(1,936)	-55.4%
Other Revenue	13,420	14,029	609	4.5%
Total Operating Revenues	1,571,335	2,652,670	1,081,335	68.8%
 Total Nonoperating Revenues	 102,499	 77,499	 (25,000)	 -24.4%
 Operating Expenses:				
Salaries and wages	677,210	686,681	9,471	1.4%
Pension	235,749	243,363	7,614	3.2%
Supplies & Materials	138,590	159,426	20,836	15.0%
Purchased services, rental and other	242,425	268,561	26,136	10.8%
External Claims Expense	680,190	1,639,856	959,665	141.1%
Insurance	34,295	34,295	(0)	0.0%
Depreciation	25,430	34,427	8,997	35.4%
Utilities	13,695	12,268	(1,426)	-10.4%
Services by other County offices	29,923	29,923	-	0.0%
Total Operating Expenses	2,077,507	3,108,799	1,031,292	49.6%
 Loss before capital contributions & transfers in	 (403,673)	 (378,631)	 25,042	 -6.2%
Capital Contributions	68,710	63,150	(5,560)	-8.1%
Transfers in	189,510	189,510	-	0.0%
Change in Net Position	(145,454)	(125,971)	19,483	13.4%



Preliminary Observations

- Gross Patient Services Revenues (Charges) grew from \$1.61B to \$1.69B in FY2018, a 5% increase
- Net Patient Service Revenue about flat from FY2017, we expect a further review as we complete the year end audit
- Change in Net Position- projected bottomline improvement vs. FY2017, within 5% of FY2018 budget expectations \$120M on the accrual basis.
- Systemwide uninsured numbers, captured by visit held about 42%





FY 2019 Financials



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Systemwide Observations and Revenue Cycle Metrics



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Income Statement for the Month ending Dec-2018 (in thousands)

	Year-To-Date		Variance	
	Actual	Budget	\$	%
<u>Operating Revenue</u>				
Net Patient Service Revenue	50,846	62,358	(11,512)	-18%
CountyCare Capitation Revenue	186,503	151,812	34,690	23%
Access Payments	2,892	2,892	-	0%
Other Revenue	109	1,083	(974)	-90%
Total Operating Rev	240,350	218,146	22,204	10%
<u>Operating Expenses</u>				
Salaries & Benefits	53,681	58,861	5,180.02	9%
Overtime	3,961	2,983	(978)	-33%
Contracted Labor	2,220	2,843	624	22%
Pension*	20,280	20,280	-	
Supplies & Materials	16,121	5,171	(10,950)	-212%
Pharmaceutical Supplies	10,659	6,736	(3,923)	-58%
Purch. Svs., Rental, Oth.	18,753	25,888	7,134	28%
External Claims Expense	164,467	118,047	(46,419)	-39%
Insurance Expense	1,864	2,453	589	24%
Depreciation	2,892	2,892	-	0%
Utilities	1,026	824	(202)	-25%
Total Operating Exp	295,923	246,978	(48,945)	-20%
Operating Margin	(55,573)	(28,832)	(26,741)	-93%
Operating Margin %	-23%	-13%	-10%	-75%
Non Operating Revenue	21,604	21,604	-	0%
Net Income/(Loss)	(33,970)	(7,229)	(26,741)	-370%



Observations

Change in Net position challenging to FY2019 targets but drivers to watch vs. same time FY18 include

- Primary Care visits are up by 2%, and Specialty Care visits are up 5%
- Surgical Cases up 1% and slightly below FY2019 Target
- Inpatient Discharges down 11% and LOS 16% lower
- Emergency Department visits are down 1%
- Deliveries are flat
- Case Mix Index is up by 10%, sustained improvement in coding and documentation of our patients complexity, comorbidity and complications
- System-wide uninsured numbers, captured by visit held 44% (Provident 37%, ACHN 44%, Stroger 47%)
- System wide Revenue Cycle ratios challenging in Dec-2018 we expect to sustain FY2018 progress



Financial Metrics

Metric	As of end Dec- 17/YTD	As of end Dec- 18/YTD	Target
Days Cash On Hand**	39	29	60
Operating Margin***	-9.5%	-11%	-5.4%
Overtime as Percentage of Gross Salary	6.6%	7.9%	5.0%
Average Age of Plant (Years)	23.3	23.2	10.7

*Days Cash on Hand CCH target 60 days, Moody's 198 days . Overtime as percentage of Gross Salary CCH target 5% , Moody's 2%

** Days Cash in Hand Point in time i.e. as of end October for each year

***Excludes Pension Expenses. Target based on compare group consisting of 'like' health systems : Alameda Health System, MedStar Health, Parkland Health & Hospital System, and UI Health



Revenue Cycle Metrics

Metric	Average FYTD 2019	Dec-18	Jan-18	Benchmark /Target
Average Days in Accounts Receivable <i>(lower is better)</i>	99.5	99	100	45.85 – 54.9*
Discharged Not Finally Billed Days <i>(lower is better)</i>	10.2	9.9	10.5	7.0
Claims Initial Denials Percentage <i>(lower is better)</i>	23%	22%	23%	20%

Definitions:

Average Days in Accounts Receivable Total accounts receivable over average daily revenue

Discharged Not Finally Billed Days Total charges of discharge not finally billed over average daily revenue

Claims Initial Denials Percentage Percentage of claims denied initially compared to total claims submitted.

* Source HFMA Key Hospital Statistics and Ratio Margin Post 2014



Provider of Care Services Operational Statistics



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Income Statement for the Month ending Dec-2018 (in thousands)

CCH Providers	Year-To-Date		Variance	
	Actual	Budget	\$	%
<u>Operating Revenue</u>				
Net Patient Service Revenue	50,846	62,358	(11,512)	-18%
Access Payments	2,892	2,892	-	0%
Other Revenue	90	1,083	(994)	-92%
Total Operating Rev	53,828	66,333	(12,507)	-19%
<u>Operating Expenses</u>				
Salaries & Benefits	45,089	46,554	1,465	3%
Overtime	3,500	2,543	(957)	-38%
Contracted Labor	1,974	1,907	(67)	-4%
Pension*	16,877	16,877	-	0%
Supplies & Materials	16,075	4,813	(11,262)	-234%
Pharmaceutical Supplies	10,516	5,902	(4,614)	-78%
Purch. Svs., Rental, Oth.	12,726	18,423	5,697	31%
Insurance Expense	1,864	-	(1,864)	n/a
Depreciation	1,792	1,792	-	0%
Utilities	1,026	811	(215)	-27%
Total Operating Exp	111,438	99,623	(11,815)	-12%
Operating Margin	(57,610)	(33,288)	(24,322)	-73%
Operating Margin %	-107%	-50%	-57%	-113%
Non Operating Revenue	14,544	14,544	-	0%
Net Income/(Loss)	(43,067)	(18,744)	(24,322)	-130%



Revenue Statement for the One Month ending Dec-2018 (in thousands)

CCHHS Providers	Year-To-Date <i>Actual</i>
Gross Revenue	126,337
<u>Adjustments</u>	
Contractual Adjustments	(36,684)
Charity Adjustments	(36,514)
Total Adjustment	(73,198)
Gross NPSR	53,140
Bad Debt Allowance	(26,380)
Adjusted NPSR	26,760
DSH	13,058
BIPA	11,028
Adjusted NPSR plus DSH and BIPA	50,846
Adjusted NPSR plus DSH and BIPA as a % of Gross Revenue	40%





CountyCare Health Plan Observations and Operational Statistics



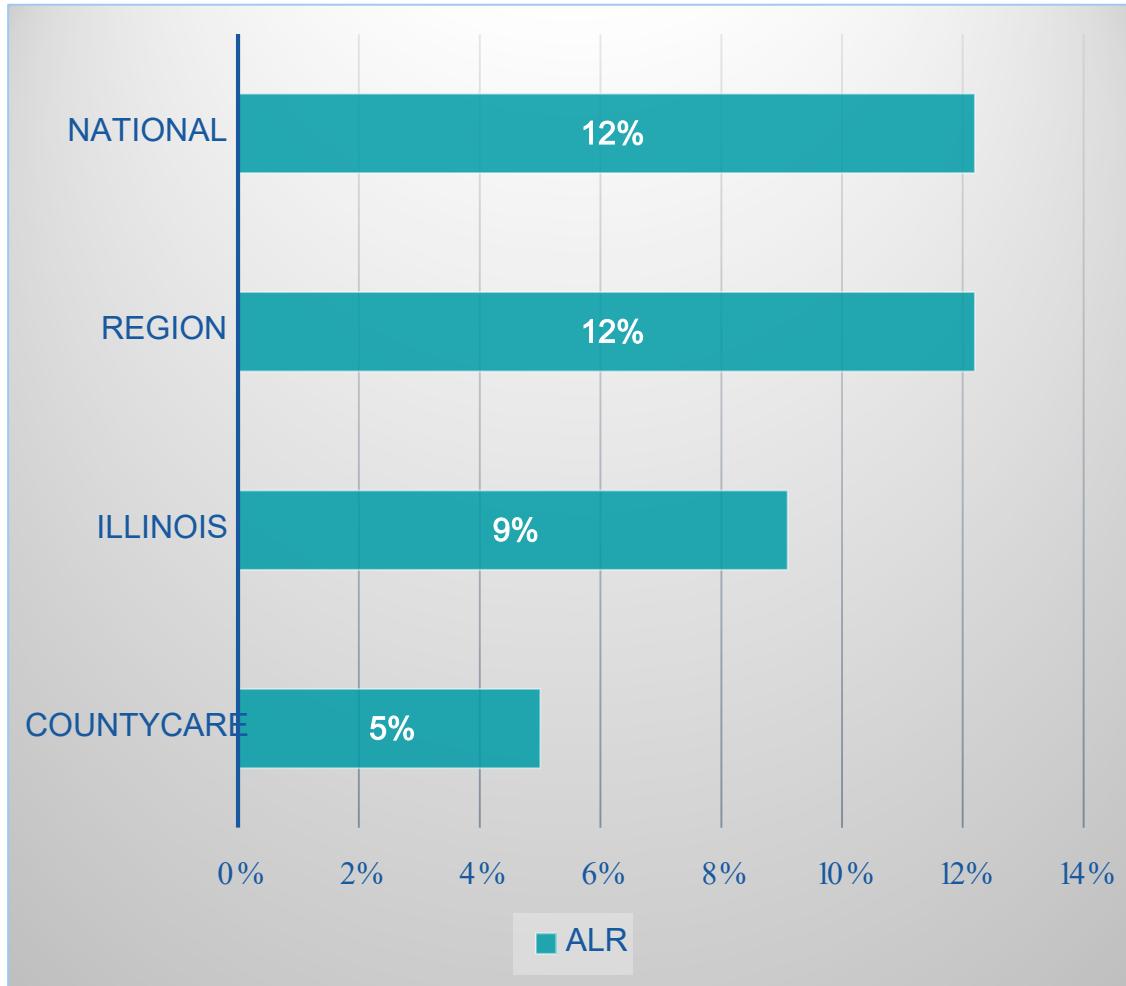
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Income Statement for the One Month ending Dec-2018 (in thousands)

	Year to Date		
	Actual	Budget	Variance
Member Months	330	324	6
Total Revenue	188,348	142,422	45,926
Expense			
Total Admin Expenses	6,426	6,343	(83)
CCH Clinical Expenses			
Claims	12,635	18,434	5,799
Pharmacy Claims	1,266	2,793	1,528
Care Management	653	-	(653)
Total CCHHS Clinical Expenses	14,553	21,227	6,674
External Clinical Expenses			
Claims	93,406	73,984	(19,423)
Hospital Supplemental Access Pmt	35,680	-	(35,680)
Pharmacy Claims	25,964	25,014	(950)
Care Management	5,105	6,404	1,299
Dental Claims	2,589	3,309	720
Transportation Claims	1,346	1,502	156
Optical Claims	74	381	306
Member Incentives	301	285	(16)
Total External Clinical Expenses	164,467	110,878	(53,589)
Total Clinical Expenses	179,020	132,105	(46,915)
Total Expenses	185,446	138,448	(46,998)
Net Income Before Rate Adjustment	2,902	3,974	(1,072)
Medical Loss Ratio (MLR)	95%	93%	2%
Net Income Before Prior Period Adj/IGT	2,902	3,974	(1,072)
IGT	1,845	3,004	(1,159)
Amortization	773	773	-
Net Income After IGT And Amortization	284	196	88



CountyCare Operation Stats for the One Month ending December 2018



Comments

- CountyCare Medical Loss Ratio is better than National and Regional, sustained 9.5% YTD
- With 330,076 members in December 2018, CountyCare is the ~~st~~ largest Medicaid Managed Care plan in Cook County.

Milliman Research Report-Medicaid Risk-Based Managed Care: Analysis of Financial results for 2016 . Region consists of Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin
MLR – Medical Loss Ratio , %age of premium spent on health care quality . ALR Administrative loss Ratio - %age spent on overhead expenses, such as marketing, profits, salaries, administrative costs etc.

Correctional Health Services

Observations and Operational Statistics



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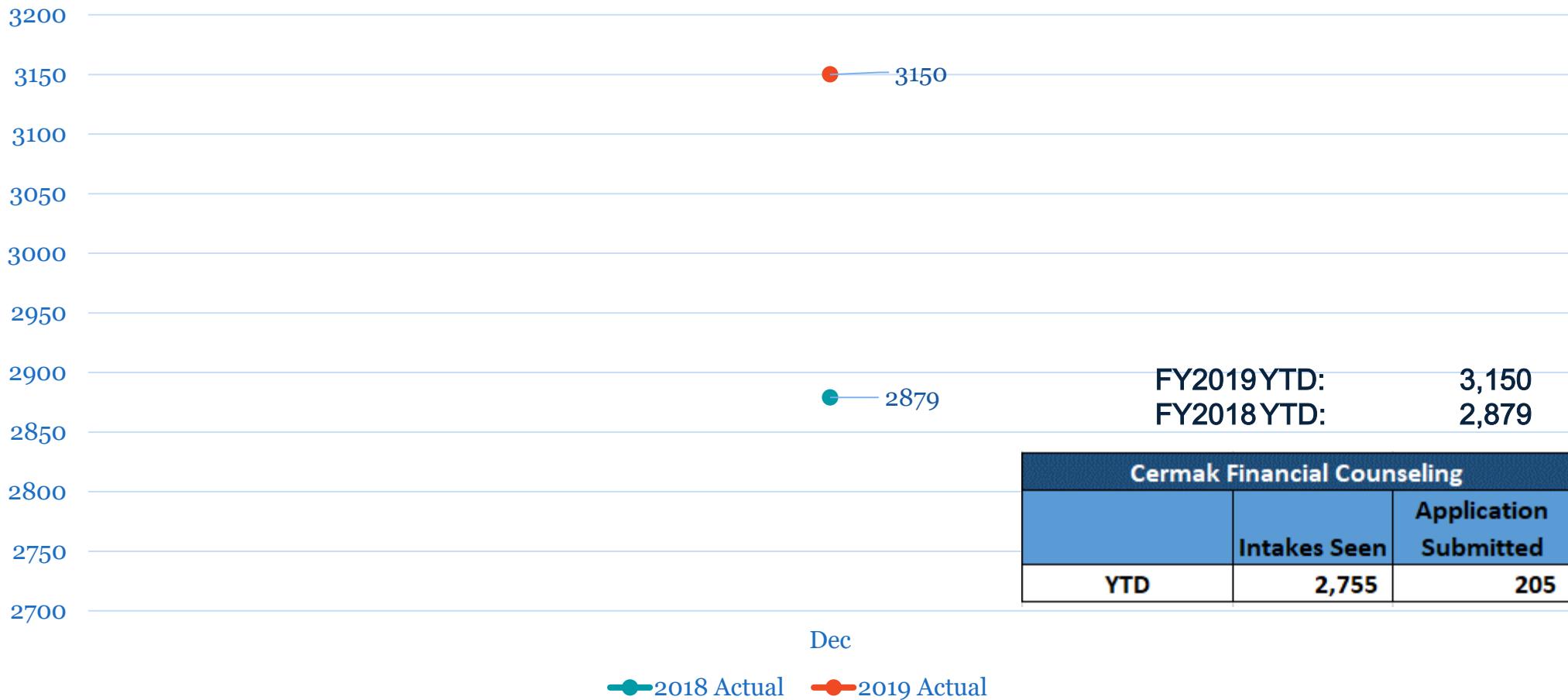
Income Statement for the Month ending Dec-2018 (in thousands)

Correctional Health Services	Year-To-Date		Variance	
	Actual	Budget	\$	%
Total Operating Rev	0	6,059	(6,059)	-100%
<u>Operating Expenses</u>				
Salaries & Benefits	4,055	5,661	1,606	28%
Overtime	406	403	(4)	-1%
Contracted Labor	0	31	30	99%
Pension*	1,452	1,452	-	0%
Supplies & Materials	38	61	23	37%
Pharmaceutical Supplies	143	833	690	83%
Purch. Svcs., Rental, Oth.	13	957	944	99%
Depreciation	9	9	-	0%
Total Operating Exp	6,117	9,408	3,290	35%
Operating Margin	(6,117)	(3,349)	(2,768)	-83%
Operating Margin %	na	na	na	na
Non Operating Revenue	5,331	5,331	-	0
Net Income/(Loss)	(787)	1,982	(2,768)	140%



Correctional Health Operation Overview for the One Month ending December 2018

Total Intakes



Comments:

- Fewer but more resource intense detainees, increases experience in Request Form patient with top 3 referrals in Oral Surgery, Ear Nose & Throat as well as Hand Clinic
- 84% of intakes are screened Financial Counselling to ensure continuity of coverage



Cook County Dept. of Public Health Operational Statistics



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Income Statement for the Month ending Dec-2018 (in thousands)

COOK COUNTY PUBLIC HEALTH	Year-To-Date		Variance	
	Actual	Budget	\$	%
Total Operating Rev	19	1,083	(1,064)	-98%
<u>Operating Expenses</u>				
Salaries & Benefits	556	863	307	36%
Overtime	1	1	(0)	-34%
Contracted Labor	-	11	11	100%
Pension*	190	190	-	0%
Supplies & Materials	0	10	10	99%
Purch. Svs., Rental, Oth.	32	204	172	84%
Depreciation	0	0	-	0%
Utilities	-	8	8	100%
Total Operating Exp	779	1,287	508	39%
Operating Margin	(760)	(204)	(556)	-273%
Operating Margin %	na	na	na	na
Non Operating Revenue	133	133	-	0%
Net Income/(Loss)	(626)	(70)	(556)	-789%



CCDPH Operation Overview for the One Months ending December 2018

	Program Title	Metric	YTD Thru Dec 18	FY19 Target
Public Health	Administration	Percent of high-risk infant APORS (Adverse Pregnancy Outcome Reporting System) referrals received that are contacted for follow up by the Public Health Nurse within 14 calendar days of referral	96%	85%
		Cost per county residents served	\$5.71	\$5.71
	Environmental Health	Cost per Inspection Efficiency	\$208.56	\$208.56
		Time from receipt of Chlamydia or gonorrhea report to field (days)	5	5
Communicable Diseases	Communicable Diseases	Percent of food establishments with isolated illness complaints within a contracted community or unincorporated Suburban Cook County that are inspected within 2 business days of receipt of complaint	100%	100%
Lead Poisoning Prevention	Lead Poisoning Prevention	Program Title	YTD Thru Dec 18	FY19 Target
		Percentage of cases with elevated blood levels visited within the timeline provided in protocols	82%	90%
		Percentage of cases with elevated blood lead levels who receive a nursing visit and environmental risk assessment visit	89%	95%
TB Program	TB Program	Program Title	YTD Thru Nov 18	FY19 Target
		Number of completed Direct Observation Treatments (DOT)	92%	91%



CCH Administration Financial Statements



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Income Statement for the Month ending Dec-2018 (in thousands)

<u>Administration</u>	Year-To-Date		Variance	
	<i>Actual</i>	<i>Budget</i>	%	\$
Operating Expenses				
Salaries & Benefits	3,519	3,134	-12%	(385)
Overtime	37	14	-164%	(23)
Contracted Labor	245	894	73%	649
Pension*	1,323	1,323	0%	-
Supplies & Materials	7	52	86%	45
Purch. Svs., Rental, Oth.	35	1,201	97%	1,166
Depreciation	318	318	0%	-
Total Operating Exp	5,485	6,937	21%	1,452
Operating Margin	(5,485)	(6,937)	21%	1,452
Non Operating Revenue	931	931	0%	0%
Net Income/(Loss)	(4,554)	(6,006)	24%	1,452

Appendix

Systemwide Volumes / Stats



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System Payor Mix By Visit

All Medicare = 17%

13%

2%

4%

Uninsured
44%

29%

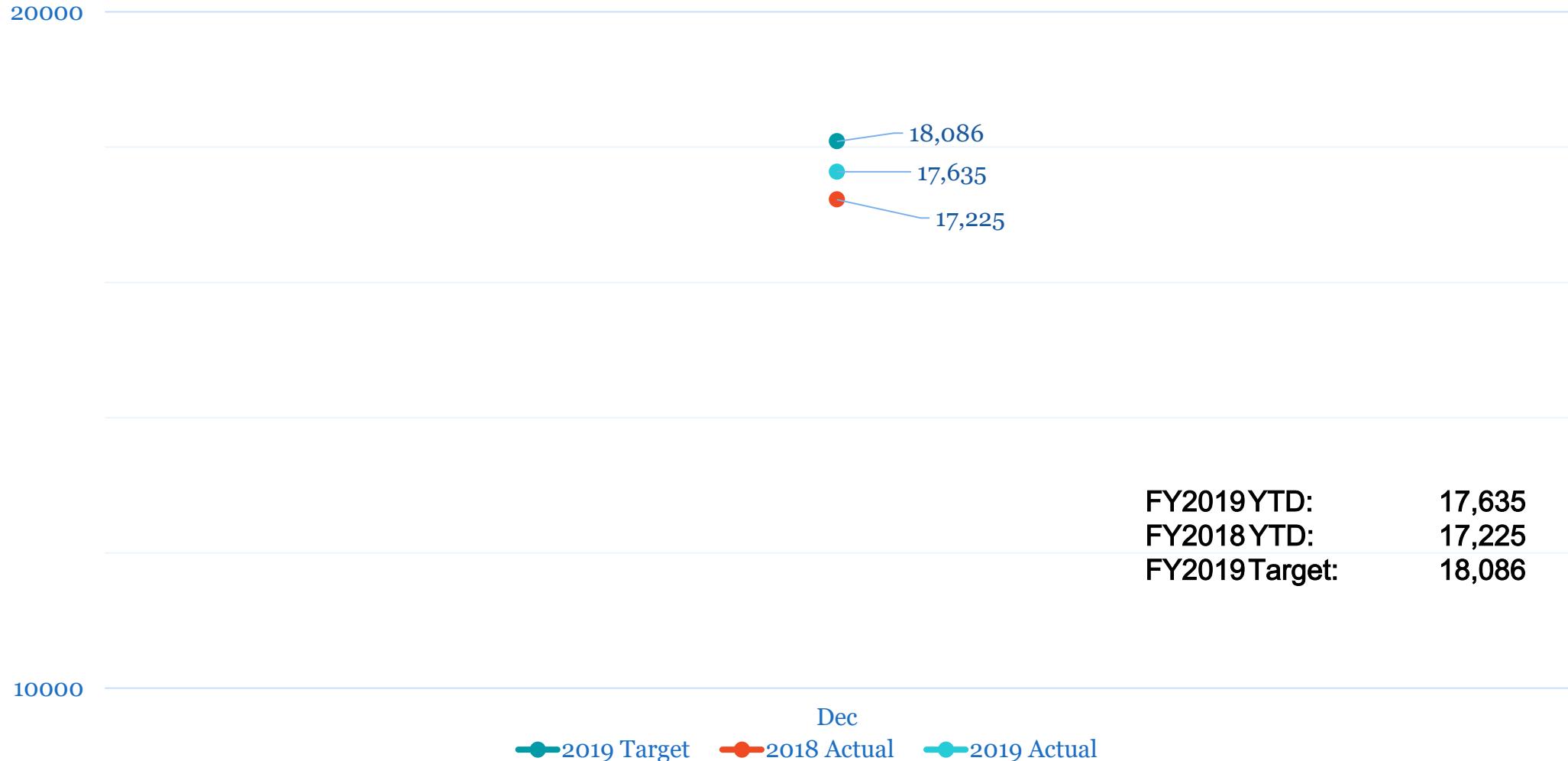
5% 4%

All Medicaid = 34%

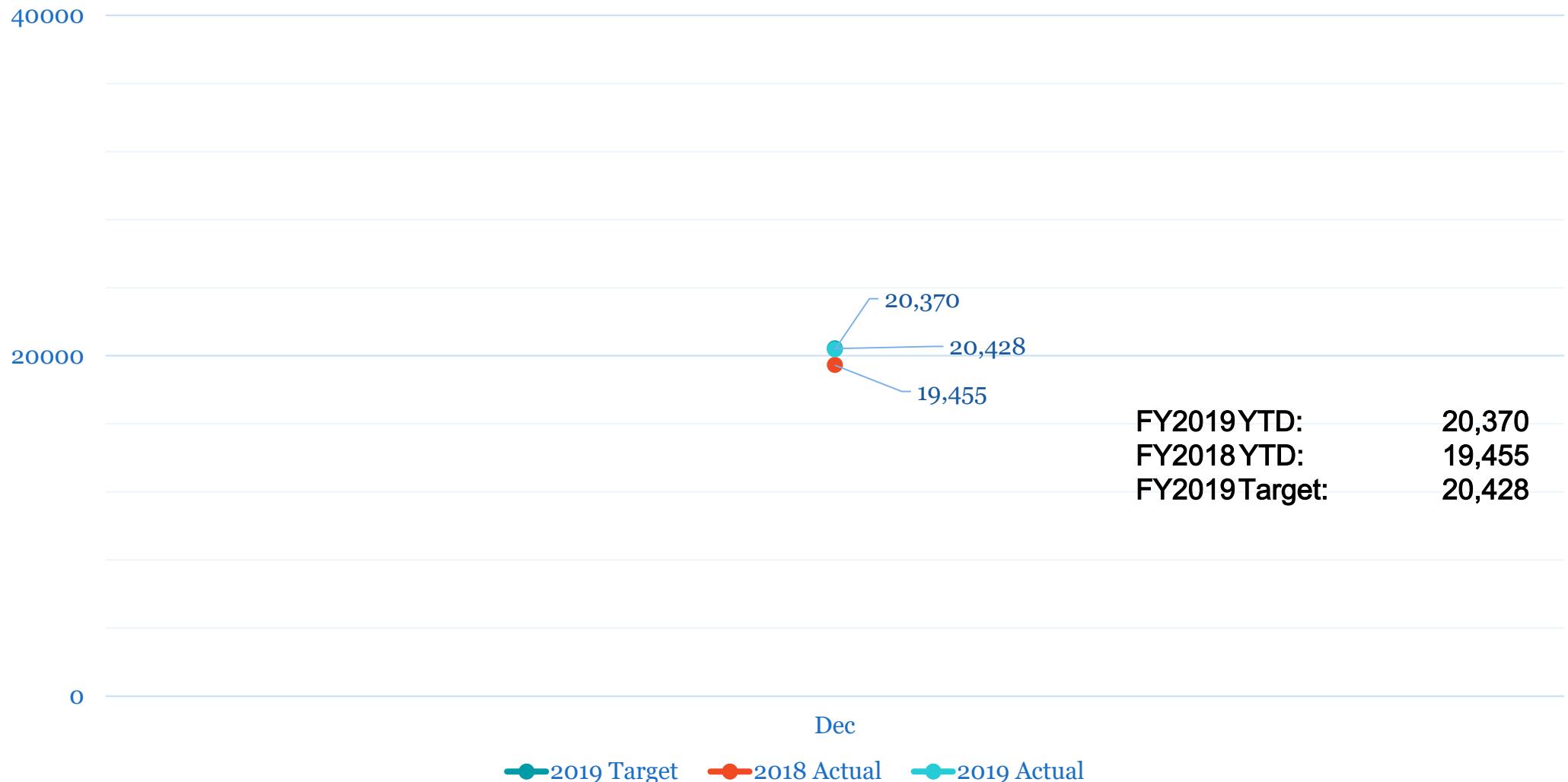
- Uninsured
- Commercially Insured
- Medicaid
- Medicaid Managed Care
- Medicare
- Medicare Managed Care
- Other



Primary Care Provider Visits



SpecialtyCare Provider Visits



Total Inpatient Discharges



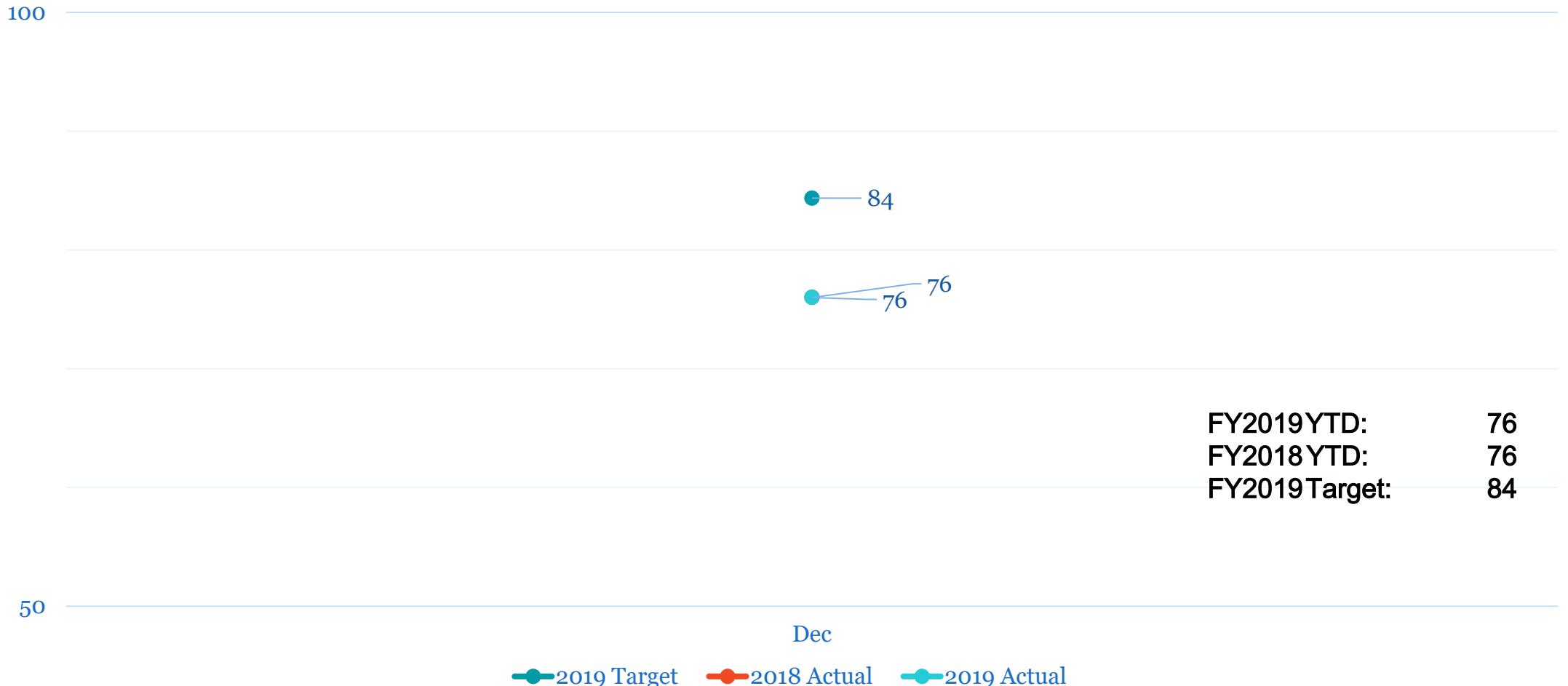
Average Length of Stay



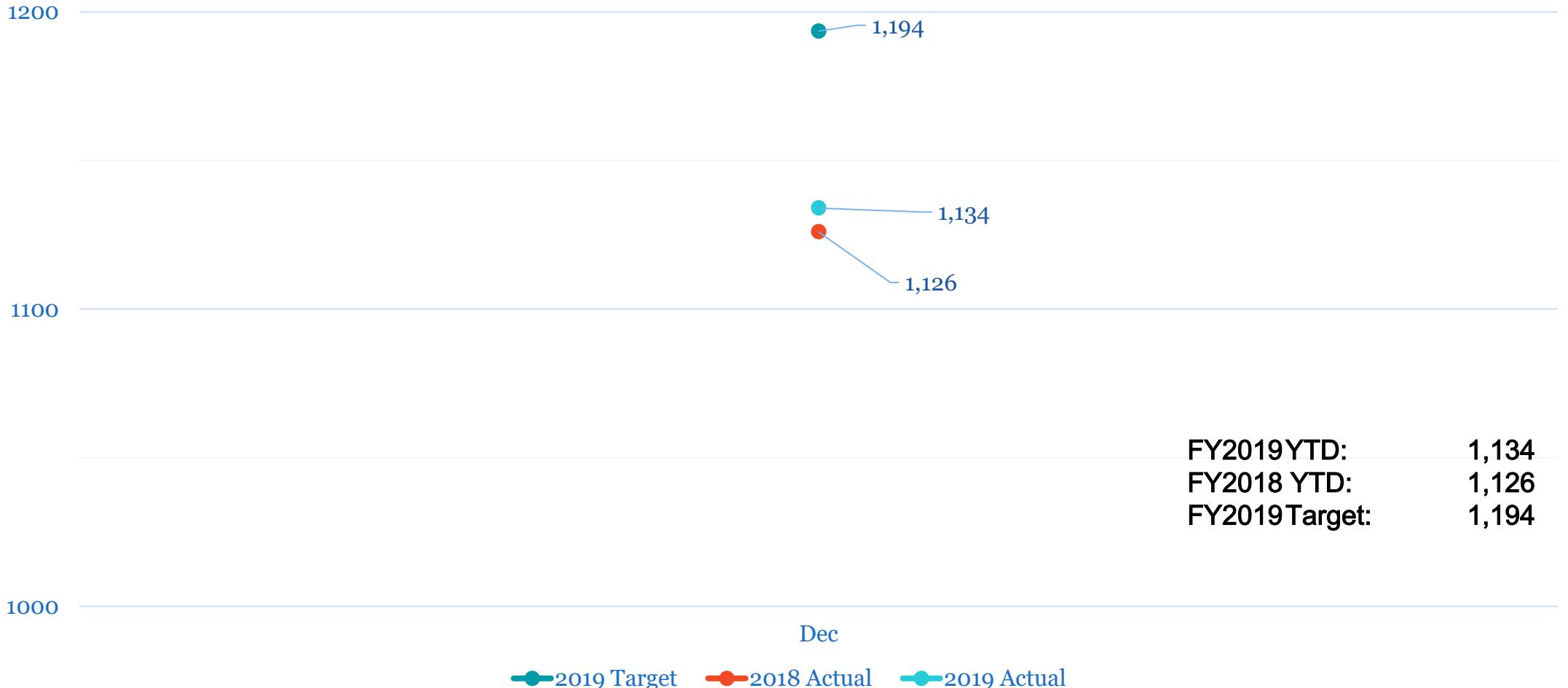
Total Emergency Room Visits



Total Deliveries



Total Surgical Cases



Case Mix Index

1.68

1.53

Dec

● FY18 ● FY19



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Questions?



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